

# Small Business Regulatory Fairness Board

## Small Business Impact Statement

**Date:** October 21, 2016

**Rule Number:** 12 CSR 10-41.010 Annual Adjusted Rate of Interest

**Name of Agency Preparing Statement:** Missouri Department of Revenue

**Name of Person Preparing Statement:** Todd Iveson

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**Name of Person Approving Statement:** John Mollenkamp, Acting Director  
Missouri Department of Revenue

**Please describe the methods your agency considered or used to reduce the impact on small businesses** (*examples: consolidation, simplification, differing compliance, differing reporting requirements, less stringent deadlines, performance rather than design standards, exemption, or any other mitigating technique*).

Pursuant to Section 32.065, RSMo, the legislation mandates the director of revenue establish an annual adjusted rate of interest based upon the adjusted prime rate charged by banks during September of that year as set by the Board of Governors of the Federal Reserve rounded to the nearest full percent. Because this method is statutorily mandated, other methods were not considered.

**Please explain how your agency has involved small businesses in the development of the proposed rule.**

Because this method is statutorily mandated under Section 32.065, RSMo, the Department of Revenue made no separate effort to involve small businesses in development of this rule.

**Please list the probable monetary costs and benefits to your agency and any other agencies affected. Please include the estimated total amount your agency expects to collect from additionally imposed fees and how the moneys will be used.**

There are no additional monetary costs or benefits to the Department of Revenue. The Department of Revenue will impose interest in 2017 on delinquent taxes one percentage point higher than in 2016. With the increase in

the Prime Bank Rate to 3.5%, statute requires the interest rate be "... rounded to the nearest full percentage..." Based on this mandate, the interest rate on delinquent taxes is 4%.

**Please describe small businesses that will be required to comply with the proposed rule and how they may be adversely affected.**

All small businesses that have delinquent tax will pay four percent (4%) interest due to the increase in the Prime Bank Rate.

**Please list direct and indirect costs (in dollars amounts) associated with compliance.**

Because the future amount of past due taxes is unknown, the precise dollar impact on small businesses is unknown. However, interest accrued on tax amounts owed on or after the effective date of this rule, will be one percentage point higher than the rate in 2016.

**Please list types of business that will be directly affected by, bear the cost of, or directly benefit from the proposed rule.**

This rule will impact any entity that has delinquent tax.

**Does the proposed rule include provisions that are more stringent than those mandated by comparable or related federal, state, or county standards?**

Yes\_\_\_ No\_\_X\_\_

**If yes, please explain the reason for imposing a more stringent standard.**